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I CLAIM:

1. A method of operating a reward points accumulation and redemption program comprising the steps of:

    a) a user earning reward points from a plurality of reward points issuing entities, each of said reward points issuing entities tracking the user's earned reward points in a user reward point account stored on rewards server, and

    b) a trading server accumulating the user's earned reward points from each of said reward servers interconnected over a network in association with consideration provided by said reward servers to the trading server and crediting said accumulated points into a reward exchange account associated with the user.

2. The method of Claim 1 further comprising the steps of:

    c) the user selecting an item for purchase from a merchant computer interconnected to the network,

    d) the merchant computer providing the item to the user in exchange for consideration received from said trading server, and

    e) the trading server reducing the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

3. The method of Claim 1 in which the reward points issuing entities are selected from the group comprising an airline reward issuing entity, a credit and reward issuing entity, a

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hotel reward issuing entity, and a rental car reward issuing entity.

4.   The method of Claim 1 in which the consideration provided to the trading server by the reward issuing entity has a value higher than the value of the user's earned reward points that are exchanged for said consideration.

5.   The method of Claim 1 in which the number of points in the user's rewards server account is decreased by the number of points obtained by the trading system.

6.   The method of Claim 2 in which the reduction in points in the user's account in the trading server is higher than the equivalent number of points needed to pay for the requested item whereby the trading server realizes a commission on the exchange of the user's points for the purchased item.

7.   The method of Claim 2 in which the purchase may be accomplished with a combination of points exchange by the trading server and other consideration provided by the user.

8.   The method of Claim 2 in which the item for purchase from a merchant computer is obtained from a manufacturer's overstocked inventory at a reduced price.

9.   The method of Claim 2 in which the item for purchase from a merchant computer is obtained from an inventory of timeshare properties available for exchange.

10. The method of Claim 2 in which the item for purchase from a merchant computer is obtained from duty free or other restricted access goods.

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11. The method of Claim 1 in which the trading server transfers a user's accumulated reward points to a smart card associated with the user.

12. The method of Claim 11 in which the user may make a
10 purchase with a merchant directly by utilizing the smart card to exchange stored accumulated reward points with the merchant for a desired item.

13. The method of Claim 1 in which the user's accumulated
15 reward points are used to pay for entertainment services.

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28. The method of Claim 1 in which the number of earned points in a given user's reward point account fluctuates as a function of the performance of the
20 associated reward points issuing entity.

15. A reward points accumulation and redemption system comprising:

       a. a plurality of reward points issuing entities, each
25   of said reward points issuing entities comprising means for tracking the user's earned reward points in a user reward point account stored on a rewards server, and

       b. a trading server accumulating the user's earned
30   reward points from each of said reward servers

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interconnected over a network in association with
consideration provided by said reward servers to the
trading server and crediting said accumulated points
into a reward exchange account associated with the

5   user.

16.   The system of Claim 15 further comprising:
          c) computer means for allowing a user to select an
     item for purchase from a merchant computer interconnected
10   to the network,
          d) a merchant computer for providing the item to the
     user in exchange for consideration received from said trading
     server, and
          e) means for the trading server to reduce the number
15   of points in the user's reward exchange account in accordance
     with the consideration provided to the merchant computer.

17.   The system of Claim 15 in which the reward points issuing
     entities are selected from the group comprising an airline
20   reward issuing entity, a credit and reward issuing entity, a
     hotel reward issuing entity, and a rental car reward issuing
     entity.

18.   The system of Claim 15 in which the consideration
25   provided to the trading server by the reward issuing entity
     has a value higher than the value of the user's earned reward
     points that are exchanged for said consideration.

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19. The system of Claim 15 in which the number of points in the user's rewards server account is decreased by the number of points obtained by the trading system.

20. The system of Claim 16 in which the reduction in points in the user's account in the trading server is higher than the equivalent number of points needed to pay for the requested item whereby the trading server realizes a commission on the exchange of the user's points for the purchased item.

21. The system of Claim 16 in which the purchase may be accomplished with a combination of points exchange by the trading server and other consideration provided by the user.

22. The system of Claim 16 in which the item for purchase from a merchant computer is obtained from a manufacturer's overstocked inventory at a reduced price.

23. The system of Claim 16 in which the item for purchase from a merchant computer is obtained from an inventory of timeshare properties available for exchange.

24. The system of Claim 16 in which the item for purchase from a merchant computer is obtained from duty free or other restricted access goods.

25. The system of Claim 15 in which the trading server transfers a user's accumulated reward points to a smart card associated with the user.

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26. The system of Claim 25 in which the user may make a purchase with a merchant directly by utilizing the smart card to exchange stored accumulated reward points with the merchant for a desired item.

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27. The system of Claim 15 in which the user's accumulated reward points are used to pay for entertainment services.

28. The system of Claim 15 in which the number of earned
10 points in a given user's reward point account fluctuates as a function of the performance of the associated reward points issuing entity.

29. The method of claim 2 wherein the item selected for
15 purchase by the user has a discount associated therewith.